



**COGNAC CORPORATION**

**SOFTWARE SERVICE SUBSCRIPTION AGREEMENT**

This Software Service Subscription Agreement ("Agreement") is made as of August 1, 2018 (the "Effective Date"), by and between Cogniac Corporation with a principal place of business at 150 Almaden Blvd, Suite 1200, San Jose, CA 95113 ("Cogniac"), and Cochise County Sheriff's Office ("Customer"), with a principal place of business at 205 North Judd Drive, Mile Post 345, Highway 80, Bisbee, AZ 85603.

Cogniac has developed certain technology, as further described below, which enables customers to automate visual observations. Customer desires to subscribe to the Cogniac service and Cogniac desires to provide access to the Cogniac system and provide the Cogniac service to Customer.

This Agreement sets forth the terms and conditions under which Cogniac will provide the Cogniac Service (as defined below). Customer's access to and use of the Cogniac Service is governed solely by the terms of this Agreement which supersedes the terms of any other prior writing or understanding between the parties.

THE PARTIES HAVE READ AND AGREE TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING THOSE TERMS CONTAINED ON THE FOLLOWING PAGES.

The parties have caused this Agreement to be effective as of the Effective Date set forth above.

Cogniac Corporation	Customer
By: <i>WIK</i>	By:
Name: William Kish	Name:
Title: CEO	Title: <i>Peggy Judd, Chairman</i>
Date: 7/30/2018	Date:
Support Contact Name: Eric Stresen Reuter	Billing Contact Name:
Support Contact Email: <a href="mailto:ericr@cogniac.co">ericr@cogniac.co</a>	Billing Contact Email:
Support Contact Phone: 407-920-1152	Billing Contact Phone:

## TERMS AND CONDITIONS

### 1. DEFINITIONS. As used in this Agreement:

1.1 **"Application"** means a visual task specified by Customer and implemented within the Cogniac Service.

1.2 **"Cogniac API"** means the application programming interface provided by Cogniac that enables users to access and use the Cogniac Service.

1.3 **"Cogniac Service"** means the automated visual observation service delivered by Cogniac to Customer via Cogniac's web application, mobile application, API and SDKs as further described in *Exhibit A*.

1.4 **"Confidential Information"** means all information regarding a party's business, including, without limitation, technical, marketing, financial, employee, planning, and other confidential or proprietary information, disclosed under this Agreement, that is clearly identified as confidential or proprietary at the time of disclosure or that the receiving party knew or should have known, under the circumstances, was considered confidential or proprietary. Confidential Information of Cogniac includes information derived from or concerning the Cogniac Service, the API, the Documentation and the terms of this Agreement.

1.5 **"Connected Camera"** means any device capable of capturing visual data content including any camera, machine vision camera, video camera, mobile device camera, surveillance camera or close circuit TV camera, connected to the Cogniac Service by or on behalf of Customer.

1.6 **"Documentation"** means any user manuals, handbooks, and online materials provided by Cogniac to Customer that describe the features, functionality or operation of the Cogniac Service.

1.7 **"Media"** means customer image or video data processed by the Cogniac system.

1.8 **"Order Form"** means a document, either physical or electronic, signed by both parties identifying the services to be made available by Cogniac pursuant to this Agreement.

1.9 **"Subject"** means any visible object, item, condition, or other trait that is associated with customer media.

1.10 **"Trained Model"** means any machine learning model, structure, or artifact produced or built from Customer Data that can be used to make data-driven predictions and decisions for a Cogniac Application.

### 2. COGNIAC SERVICE.

2.1 **Subscription to the Cogniac Service.** Subject to the terms and conditions of this Agreement, Cogniac hereby grants to Customer a non-sublicensable, non-transferable (except as provided in Section 11.6), non-exclusive subscription to use and access the Cogniac API as necessary to access and use the Cogniac Service solely for Customer's internal business purposes with the number of Connected Cameras, Applications and Media for which fees have been paid.

2.2 **Support.** Subject to the terms of this Agreement, Cogniac shall use commercially reasonable efforts to (a) maintain the security of the Cogniac Service; and (b) provide the support services described in *Exhibit A*.

### 3. CUSTOMER'S USE OF THE COGNIAC SERVICE.

3.1 **Access and Security Guidelines.** Customer will be assigned a unique user identification name and password ("UserID") for access to and use of the Cogniac Service. UserIDs may not be shared with third parties, and Customer shall be solely responsible for all activities that occur under Customer's account.

3.2 **Restrictions.** Customer will not, and will not permit any User or other party to: (a) use the Cogniac Service to harvest, collect, gather or assemble information or data regarding other Cogniac customers without their consent; (b) access or copy any data or information of other Cogniac customers without their consent; (c) knowingly interfere with or disrupt the integrity or performance of the Cogniac API or the Cogniac Service or the data contained therein; (d) harass or interfere with another Cogniac customer's use and enjoyment of the Cogniac Service; (e) reverse engineer, disassemble or decompile any component of the Cogniac API or Cogniac Service; (f) interfere in any manner with the operation of the Cogniac API or the Cogniac Service, or the hardware and network used to operate the Cogniac Service; (g) sublicense any of Customer's rights under this Agreement, or otherwise use the Cogniac API or the Cogniac Service for the benefit of a third party or to operate a service bureau; (h) modify, copy or make derivative works based on any part of the Cogniac API; or (i) otherwise use the Cogniac API or the Cogniac Service in any manner that exceeds the scope of use permitted under Section 2.1.

4. **FEES, PAYMENT AND SUSPENSION OF SERVICES.** Customer will pay Cogniac the fees for the Cogniac Service ("Fees") in accordance with *Exhibit A* and as otherwise required by a particular Order Form. In the event that Customer wishes to increase the number of Applications, Connected Cameras, or volume of processed Media beyond the amount for which fees have been paid, Customer shall be required to pay additional

fees associated with such increase, prorated for the remainder of the term. All Fees will be billed in advance in accordance with the applicable Order Form and are due within thirty (30) days of receipt of invoice. All Fees owed by Customer in connection with this Agreement are exclusive of, and Customer shall pay, all sales, use, excise and other taxes and applicable export and import fees, customs duties and similar charges that may be levied upon Customer in connection with this Agreement, except for taxes based on Cogniac's net income. Cogniac reserves the right (in addition to any other rights or remedies Cogniac may have) to discontinue the Cogniac Service and suspend all UserID's and Customer's access to the Cogniac Service if any fees are more than thirty (30) days overdue until such amounts are paid in full. Customer shall maintain complete, accurate and up-to-date Customer billing and contact information.

5. **CONFIDENTIAL INFORMATION.** The receiving party agrees that it will not use or disclose to any third party any Confidential Information of the disclosing party, except as expressly permitted under this Agreement. The receiving party will limit access to the Confidential Information to those who have a need to know such information to use or provide the Cogniac Service. The receiving party will protect the disclosing party's Confidential Information from unauthorized use, access, or disclosure in a reasonable manner. Upon termination of this Agreement, the receiving party will return to the disclosing party or destroy all copies of the Confidential Information. The restrictions on use and disclosure of Confidential Information set forth above will not apply to any Confidential Information which (a) is or becomes a part of the public domain through no act or omission of the receiving party, (b) was in the receiving party's lawful possession prior to the disclosure, as shown by the receiving party's competent written records, or (c) is independently developed by the receiving party. The receiving party may disclose Confidential Information to the extent that such disclosure is required by law or by the order of a court or similar judicial or administrative body.

6. **OWNERSHIP.**

6.1 **Cogniac Service and Technology.** Cogniac retains all right, title and interest in and to the Cogniac API, Cogniac Service, Trained Models and all software and all Cogniac proprietary information and technology used by Cogniac or provided to Customer in connection with the Cogniac Service (the "*Cogniac Technology*"), and Customer acknowledges and agrees that the Cogniac Technology is protected by intellectual property rights owned by or licensed to Cogniac. Other than as expressly set forth in this Agreement, no license or other rights in the Cogniac Technology are granted to the

Customer. Customer hereby grants Cogniac a royalty-free, worldwide, transferable, sublicenseable, irrevocable, perpetual license to use or incorporate into the Cogniac Service any suggestions, enhancement requests, recommendations or other feedback provided by Customer. Cogniac shall not identify Customer as the source of any such feedback.

6.2 **Customer Data.** Customer retains all right, title and interest in and to the Customer Data. Cogniac may only use the Customer Data to provide and improve the Cogniac Service; *provided that* Cogniac shall not be restricted in any manner from its use of any learning resulting from its access to and use of the Customer Data, nor its use thereof on an aggregated and anonymized basis, to provide, improve and market the Cogniac Technology, including to build Trained Models. By default, Cogniac will not share Customer Data with other customers of the Cogniac Service; *provided, that*, Customer may, at its option, choose to make Customer Data available to other users of the Cogniac Service. Customer will not provide, post or transmit any Customer Data to Cogniac that: (a) infringes, misappropriates or violates any intellectual property rights, publicity/privacy rights, law or regulation; (b) contains any viruses or programming routines intended to damage, surreptitiously intercept or expropriate any system, data or personal or personally identifiable information; or (c) is deceptive, defamatory, obscene, pornographic or unlawful. Customer will be solely responsible for obtaining any necessary rights to provide the Customer Data to Cogniac for the purposes set forth herein.

7. **TERM AND TERMINATION.**

7.1 **Term.** The initial term of this Agreement will commence on the Effective Date and continue for one (1) year. This Agreement will renew for additional one (1) year terms unless either party gives written notice of non-renewal at least thirty (30) days prior to the expiration of the then-current term. "*Term*" means collectively the initial term and each renewal term. Cogniac reserves the right to increase the Fees applicable to any renewal term upon written notice to Customer, *provided*, such notice is given at least sixty (60) days prior to such renewal term.

7.2 **Termination.** Either party may terminate this Agreement upon written notice if the other party materially breaches the Agreement and does not cure such breach (if curable) within thirty (30) days after written notice of such breach. Upon the expiration or termination of this Agreement for any reason, (a) any amounts owed to Cogniac under this Agreement will become immediately due and payable; and (b) each party will return to the other all property (including any Confidential Information and Customer Data) of the

other party. Sections 1, 4, 5, 6, 7.2, 8.2, 8.3, 9-11 will survive the termination of this Agreement.

## 8. WARRANTY; DISCLAIMER.

**8.1 Limited Warranty.** During the Term, Cogniac warrants that the Cogniac Service, when used as permitted by Cogniac and in accordance with the Documentation, will operate as described in the Documentation in all material respects. If Customer notifies Cogniac of any breach of the foregoing warranty, Cogniac shall, as Customer's sole and exclusive remedy, provide the support services described in *Exhibit A*.

**8.2 General Disclaimer.** EXCEPT AS EXPRESSLY PROVIDED IN SECTION 8.1, AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW: (A) THE COGNAC SERVICE, COGNAC API AND DOCUMENTATION ARE PROVIDED "AS IS" AND "AS AVAILABLE" AND (B) COGNAC AND ITS SUPPLIERS MAKE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**8.3 Special Disclaimer.** Customer acknowledges and agrees that: (A) the Cogniac Services are designed to recognize certain Subjects designated by Customer within Customer Media or captured by Customer's Connected Cameras, and that such recognition is developed over time based on Customer's annotation of Media and Subjects as well as Customer's actions, instructions and other inputs provided to Cogniac (collectively, "*Inputs*"); (B) any outputs and responses provided to Customer via the Cogniac Service or Trained Models ("*Outputs*") are wholly dependent upon Customer's Inputs; and (C) the ability of the Cogniac Service to recognize Subjects, and provide Outputs is dependent upon the quality and volume of the Customer Data provided by Customer, and that external factors, such as, lighting, image quality and resolution of the Inputs, Internet speeds and third party interference may degrade the quality thereof. Cogniac makes no warranty or guarantee regarding the Outputs, including the accuracy or reliability thereof.

## 9. INDEMNITY.

**9.1 By Cogniac.** If any action is instituted by a third party against Customer based upon a claim that the Cogniac Technology, as delivered, infringes any third party's intellectual property rights, Cogniac shall defend such action at its own expense on behalf of Customer and shall pay all damages attributable to such claim which are finally awarded against Customer or paid in settlement. If any portion of the Cogniac Technology becomes, or in Cogniac's determination is likely to become, the subject of a claim of infringement, Cogniac may, at its option and expense (a) procure for Customer

the right to continue using the Cogniac Technology, (b) replace or modify the Cogniac Technology so that it is no longer infringing but continues to provide comparable functionality, or (c) terminate this Agreement and Customer's access to the Cogniac Technology and refund any amounts previously paid for the Cogniac Service attributable to the remainder of the then-current term. This Section sets forth the entire obligation of Cogniac and the exclusive remedy of Customer against Cogniac for any claim that the Cogniac Technology infringes a third party's intellectual property rights.

**9.2 By Customer.** If any action is instituted by a third party against Cogniac relating to Customer's breach of Section 6.2, or arising from Cogniac's reliance on an Input, Customer will defend such action at its own expense on behalf of Cogniac and shall pay all damages attributable to such claim which are finally awarded against Cogniac or paid in settlement of such claim. This subsection states the sole and exclusive remedy of Cogniac and the entire liability of Customer for the claims and actions described herein.

**9.3 Procedure.** Any party that is seeking to be indemnified under the provision of this Section 9 (an "*Indemnified Party*") must (a) promptly notify the other party (the "*Indemnifying Party*") of any third-party claim, suit, or action for which it is seeking an indemnity hereunder (a "*Claim*"), and (b) give the Indemnifying Party the sole control over the defense of such Claim.

**10. LIMITATION OF LIABILITY.** EXCEPT AS SET FORTH IN THIS SECTION 10, TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL COGNAC OR CUSTOMER BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS IN ANY WAY RELATING TO THIS AGREEMENT. IN NO EVENT SHALL COGNAC'S OR CUSTOMER'S AGGREGATE, CUMULATIVE LIABILITY IN ANY WAY RELATING TO THIS AGREEMENT EXCEED THE AMOUNT OF FEES ACTUALLY RECEIVED BY COGNAC FROM CUSTOMER DURING THE TWELVE (12) MONTHS PRECEDING THE CLAIM. THE FOREGOING LIMITATIONS SHALL NOT APPLY TO PAYMENT, CONFIDENTIALITY (EXCLUDING DATA LOSS) AND INDEMNITY OBLIGATIONS. THE PARTIES WOULD NOT HAVE ENTERED INTO THIS AGREEMENT BUT FOR SUCH LIMITATIONS.

## 11. GENERAL PROVISIONS.

**11.1 Governing Law and Venue.** This Agreement and any action related thereto will be governed and interpreted by and under the laws of the State of California, without giving effect to any conflicts of laws principles that require the application of the law of a different jurisdiction. Customer hereby expressly consents to the personal jurisdiction and venue in the state and federal courts for the county in which Cogniac's principal place of business is located for any lawsuit filed there against Customer by Cogniac arising from or related to this Agreement. The United Nations

Convention on Contracts for the International Sale of Goods does not apply to this Agreement. The laws of the jurisdiction where Customer is located may be different from California law.

**11.2 Export.** Customer agrees not to export, reexport, or transfer, directly or indirectly, any U.S. technical data acquired from Cogniac, or any products utilizing such data, in violation of the United States export laws or regulations.

**11.3 Severability.** If any provision of this Agreement is, for any reason, held to be invalid or unenforceable, the other provisions of this Agreement will remain enforceable and the invalid or unenforceable provision will be deemed modified so that it is valid and enforceable to the maximum extent permitted by law. Without limiting the generality of the foregoing, Customer agrees that the section titled *Limitation of Liability* will remain in effect notwithstanding the unenforceability of any provision in the subsection titled *Limited Warranty*.

**11.4 Waiver.** Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

**11.5 Remedies.** Except as provided in the sections titled *Limited Warranty* and *Indemnification*, the parties' rights and remedies under this Agreement are cumulative. Customer acknowledges that the Cogniac Service, Cogniac API or Documentation contain valuable trade secrets and proprietary information of Cogniac, that any actual or threatened breach of the sections titled *Restrictions* or *Confidentiality* or any other breach by Customer of its obligations with respect to Intellectual Property Rights of Cogniac will constitute immediate, irreparable harm to Cogniac for which monetary damages would be an inadequate remedy. In such case, Cogniac will be entitled to immediate injunctive relief without the requirement of posting bond, including an order that any software, Documentation, or any portions thereof, that Customer attempts to import into any country or territory be seized, impounded and destroyed by customs officials. If any legal action is brought to enforce this Agreement, the prevailing party will be entitled to receive its attorneys' fees, court costs, and other collection expenses, in addition to any other relief it may receive.

**11.6 No Assignment.** Neither party shall assign, subcontract, delegate, or otherwise transfer this Agreement, or its rights and obligations herein, without obtaining the prior written consent of the other party, and any attempted assignment, subcontract, delegation, or transfer in violation of the foregoing will be null and void; provided, however, that either party may assign

this Agreement in connection with a merger, acquisition, reorganization or sale of all or substantially all of its assets, or other operation of law, without the consent of the other party. The terms of this Agreement shall be binding upon the parties and their respective successors and permitted assigns.

**11.7 Force Majeure.** Any delay in the performance of any duties or obligations of either party (except the payment of money owed) will not be considered a breach of this Agreement if such delay is caused by a labor dispute, shortage of materials, fire, earthquake, flood, or any other event beyond the control of such party, provided that such party uses reasonable efforts, under the circumstances, to notify the other party of the cause of such delay and to resume performance as soon as possible.

**11.8 Independent Contractors.** Customer's relationship to Cogniac is that of an independent contractor, and neither party is an agent or partner of the other. Customer will not have, and will not represent to any third party that it has, any authority to act on behalf of Cogniac.

**11.9 Notices.** Each party must deliver all notices or other communications required or permitted under this Agreement in writing to the other party at the address listed on the first page of the Agreement by courier, by certified or registered mail, or by a nationally-recognized express mail service. Notice will be effective upon receipt or refusal of delivery. If delivered by certified or registered mail, any such notice will be considered to have been given five business days after it was mailed, as evidenced by the postmark. If delivered by courier or express mail service, any such notice shall be considered to have been given on the delivery date reflected by the courier or express mail service receipt. Each party may change its address for receipt of notice by giving notice of such change to the other party.

**11.10 Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be taken together and deemed to be one instrument.

**11.11 Entire Agreement.** This Agreement is the final, complete and exclusive agreement of the parties with respect to the subject matters hereof and supersedes and merges all prior discussions between the parties with respect to such subject matters. No modification of or amendment to this Agreement, or any waiver of any rights under this Agreement, will be effective unless in writing and signed by an authorized signatory of Customer and Cogniac.

## EXHIBIT A

### SOFTWARE SERVICES & FEES

#### 1. SOFTWARE SERVICES.

Subject to the terms and conditions of the Agreement, Cogniac will provide to Customer the following Cogniac Services:

**1.1 Cogniac Service.** The Cogniac Service is an Amazon AWS-hosted software service that enables the automation of visual observation tasks using deep convolutional neural networks and other computer vision techniques. It consists of a public api (<https://api.cogniac.io>), web application (<https://www.cogniac.co/app/>), iOS application, and associated backend services. The system supports the labeling of example image data, the automatic building of classification, detection, localization, measuring and counting applications based on the labeled example data, and the run-time deployment of the trained application models. Included in the service is an email-based integration that receives image emails, processes the attached image using the Cogniac service, and sends alert emails in return. The customer requires Cogniac's Service to be timely and accurate. Timeliness is targeted as less than 3 minutes between Cogniac's receipt of the image, processing and if the image meets the established criteria of containing a person, sending an alert. Accuracy is measured by correctly identifying people in images. Accuracy is expected to be above 90%.

**1.2 Support:** During the Term, Cogniac will provide the following support to Customer:

(a) **Hot Line.** Cogniac will provide a telephone number and email address for use by users Monday through Friday, 9am – 5pm Pacific Time, US holidays excluded, for problem resolution assistance.

(b) **Error Corrections.** Cogniac will use commercially reasonable efforts to correct all Errors in the Cogniac Service reported by Customer over the phone or in writing to Cogniac. Cogniac will utilize remote diagnostic procedures whenever possible for Error diagnosis and bug fixes and/or workaround to correct the Error ("**Error Correction**"). Cogniac may not issue Error Corrections for all Errors. "**Error**" means a reproducible failure of the Cogniac Service to substantially conform to the Documentation.

(c) **Improvements.** During the Term, Cogniac may, in its sole discretion, provide Customer with updates, upgrades, enhancements, and any other improvements that Cogniac generally offers to other customers of the Cogniac Service.

**1.3 Exclusions.** Cogniac shall have no responsibility or liability of any kind, whether for breach of warranty or otherwise, arising or resulting from: (a) Customer's use of any version of the Cogniac Services other than the then-current unmodified version provided to Customer; (b) any problems which are not Errors; (c) problems caused by failed Internet connections or other hardware, software or equipment which is not owned, controlled or operated by Cogniac; (d) nonconformities resulting from misuse, abuse, negligence, or improper or unauthorized use of all or any part of the Cogniac Services, Cogniac API, or Documentation; (e) problems or Errors caused by Customer's, or other third party's products, services or equipment; or (f) modification, amendment, revision, or change to the Cogniac API or the Cogniac Services by any party other than Cogniac or Cogniac-authorized representatives.

**1.4 Customer Responsibilities.** It shall be Customer's responsibility to perform those specific services that are necessary to establish Customer's use of the Cogniac API, Documentation, and Cogniac Services.

1.5 **Other Services.** Cogniac's services outside the scope of this Agreement, if any, shall be provided pursuant to Cogniac's then-current applicable services policies and procedures, including execution of a professional services agreement.

2. **FEES.**

2.1 **Fees.** Customer will pay the annual subscription fee of:

\$60,000 per year, for up to 300 motion triggered "BuckEye-style" connected cameras.

Payment will be made in two installments:

\$30,000 invoiced on contract effective date.

\$30,000 invoiced 6 months after contract effective date.

Invoice terms are NET30.





## **Cochise County Sheriff's Office utilization of Buckeye cameras system and image processing.**

Requirements for processing the imagery received from the fielded BuckEye cameras

**Problem statement:** More than 90% of all images received from the deployed BuckEye camera system is false alerts, resulted from movement of vegetation and wildlife in close proximity from the camera sensors. That results in significant distraction and loss of time for the officers who receive all of these unprocessed images instead of getting only the imagery that can provide actionable intelligence. In the last 12 months the department was looking for a solution that would substantially reduce the cognitive load and wasted time for the department personnel directly involved in operations on the border. In the search process the department was able to solidify the requirements for such system and those were used in the search for technology available on the market.

### ***Requirements***

The computer vision system shall be able to collect and process all imagery that is generated by the county wide deployment of the BuckEye cameras and create alerts for the images that may be actionable.

The system shall be able to adapt to the specific environmental conditions and be able to differentiate images of people captured by the Buckeye cameras in daylight and infrared 24/7

To reduce the acquisition risk the system should be at least Technology Readiness Level 8 (TRL-8), i.e. completed and mission qualified through and demonstration and ideally, TRL-9, i.e. proven through successful mission operations in the area of responsibility (Cochise County) or similar conditions and terrain (Santa Cruz, Pima, Pinal, Hidalgo)

Cloud interface is not necessary but highly desirable so that the selected technology provider can support and maintain the system without any additional support from the Sheriff's Office and to avoid additional travel and other expenses, usually associated with the new system acquisition and operations.

### ***Recommended Sole Source justification.***

During the extensive search made by the Department, and in response to the Cochise request, Border Commerce and Security Council suggested to contact Cogniac Corporation that has conducted extensive tests with the Department of Defense, works closely with DHS, and may be suitable to provide the solution. After the Sheriff's Office had contacted Cogniac, they agreed to a 30 day pilot deployment at no cost to the county government. Such cloud-based deployment was done within days and Cogniac demonstrated the ability to train the system recognize threats and filter out false alarms to the level acceptable to the Department. In addition, the Cogniac solution does not require procurement of any additional hardware and software to support the mission, as well as offering us a scalable solution to support up to 300 cameras and increased imagery flow at no additional cost.

Based on the pilot that began on June 28 and successfully completed on July 30, 2018 and meeting the department requirements, we intend to award a firm fixed price sole source purchase order on behalf of the Cochise County Sheriff's office as it is only one source (Cogniac) reasonably available that will satisfy all of the requirements.



### STANDARD CONTRACT ADDENDUM

The following terms are added to and form a part of the Software Service Agreement between Cochise County ("County") and Cogniac Corporation ("Contractor"):

1. **NON-DISCRIMINATION:** The parties shall comply with all applicable state and federal statutes and regulations governing Equal Employment Opportunity, Non-Discrimination, and Immigration.
2. **CONFLICT OF INTEREST:** This Contract is subject to cancellation pursuant to the provisions of A.R.S. § 38-511 regarding Conflict of Interest.
3. **INSPECTION AND AUDIT:** The Contractor agrees to keep all books, accounts, reports, files and other records relating to this Contract for five (5) years after completion of this contract. In addition, the Contractor agrees that such books, accounts, reports, files and other records shall be subject to audit pursuant to A.R.S. § 35-214.
4. **ARBITRATION:** The parties agree that any dispute arising under this Contract involving the sum of \$50,000 or less in money damages only shall be resolved by arbitration pursuant to A.R.S. § 12-1501 et. seq. The decision of the arbitrator(s) shall be final.
5. **INDEMNIFICATION AND HOLD-HARMLESS CLAUSES:** Each party (as "indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable court-awarded attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.
6. **PUBLIC RECORDS LAWS:** Notwithstanding any confidentiality provisions in this Contract to the contrary, disclosure of any documents or records are subject to the public records provisions of Arizona law, A.R.S. § 39-121 et. seq.
7. **JURISDICTION AND LAW:** Notwithstanding any provision in this Contract to the contrary, the Contract shall be governed by Arizona law and jurisdiction shall be in Arizona courts with venue in Cochise County, Arizona.

8. **BOYCOTT OF ISRAEL:** In accordance with ARS § 35-393.01, Contractor certifies that the Contractor is currently not engaged in, and for the duration of this Agreement agrees not to engage in, a boycott of Israel.

Cogniac Corporation



By: William Kish, CEO

8-1-2018

Date

Cochise County

Peggy Judd, Chair

Date